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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

- ¶1. U.S.-Israel Relations
- 12. Mideast
- ¶3. Iran

Key stories in the media:

Media cited new developments in the investigation of the Dubai

assassination affair: Yediot bannered the finding that the assassins visited Dubai three times. Israel Radio cited Irish police that there are now 19 suspects in the case. Maariv led with the Dubai police chiefQs announcement yesterday that, if proven that the Mossad is behind the incident, PM Benjamin Netanyahu would top the list of wanted persons in the case, followed by Mossad Director Meir Dagan. Other media reported that Dubai seeks DaganQs arrest. Maariv reported that Israeli representatives were asked to provide clarifications throughout Europe. The Jerusalem Post quoted an Israeli diplomatic official as saying that there was no diplomatic crisis with the U.K., Qbecause there is nothing to connect this with Israel.Q Yediot cited the British daily The Independent that the summons issued to Israeli ambassadors in Britain and Ireland were for show only. Israel Radio cited the British Foreign ServiceQs denial of a Daily Mail report that it was informed in advance of the use of forged British passports. The radio quoted William Hague, a senior MP of the British Conservative Party, as saying that the British Government might well have been told about it. Israel Hayom quoted an Israeli diplomatic source as saying that the bulk of the diplomatic crisis is over. Some media cited Arab media reports that Muhammad Dahlan, former head of Fatah security in Gaza, had a role in Mahmoud al-MabhouhQs assassination.

Leading media reported that for the first time the U.N.Qs International Atomic Energy Agency (IAEA) admitted that Iran is developing a nuclear weapon. A secret agency report cited concern that Iran is developing a nuclear warhead. Israel Hayom cited the United StatesQ concern over the new revelations. Makor Rishon-Hatzofe cited IsraelQs concern that QAmerica is prepared to accept a nuclear Iran.

HaQaretz quoted a senior GOI official in Jerusalem as saying yesterday that negotiations between Israel and the PA are to be renewed next week. The source said Israeli government officials had been told as much by Austrian FM Michael Spindelegger. The senior Austrian official, who visited Israel and the PA last week, told the officials that PA President Mahmoud Abbas had told him he would give his consent to the United States' request to renew talks with Israel. Abbas met in Ramallah yesterday with David Hale, the U.S. Deputy Assistant Secretary of State for Near Eastern Affairs and deputy to U.S. Special Envoy for Middle East Peace Senator George Mitchell. Hale gave Abbas American assurances regarding the renewal of talks with Israel, including a timetable for the move from indirect to direct talks, and clarifications regarding the issue of the 1967 borders. The nature of these clarifications is unclear. The renewed negotiations are to use the "proximity" talks format, similar to the model of the Israel-Syria talks that were mediated by During the indirect phase of the talks, the Israeli and the Palestinian teams will sit in separate locations, and Mitchell and his staff will convey messages between them. It is unclear whether the talks will take place in Israel or in Washington. The U.S. has updated Israel on Hale's talks with Abbas. The Israeli negotiating team also visited Washington last week to clarify Israel's position on conditions for the renewal of talks. The team includes attorney Yitzhak Molcho and Brig. Gen. Mike Herzog. A senior government source in Israel said that Israel wants the parties to move as soon as possible from proximity talks to direct talks on all core issues -- including borders, refugees, Jerusalem, and security arrangements. Israel is hoping the direct talks will begin within a number of weeks, or two to three months at the most.

HaQaretz reported that DM Ehud Barak will go to Washington next week to meet with senior U.S. government officials, including Defense Secretary Robert Gates and National Security Advisor Gen. James Jones. Barak will then head to New York for a meeting with United Nations Secretary-General Ban Ki-moon. The DM is expected to focus in these meetings on negotiations with the Palestinians, the Iranian nuclear program, the situation on Israel's northern front with Syria and Lebanon, and how to maintain the IDFQs qualitative edge.

HaQaretz reported that the Israeli Foreign Ministry has come to regret its snubbing of a U.S. congressional delegation this week and sent a senior official to apologize. The apology, however, failed to assuage the deeply insulted congressmen, whose visit was sponsored by left-wing American advocacy group J Street.

Leading media quoted Noam Shalit, the father of Hamas prisoner Gilad Shalit, as saying during a meeting in Israel with the members of the

Conference of Presidents of Major [U.S.] Jewish Organizations that the U.S. administration is putting off the deal over his sonQs release. Noam Shalit was quoted as saying: QWe are hearing voices from the U.S. administration hinting to decision-makers in Israel not to carry out the proposed swap to have Gilad released.Q Noam Shalit was quoted as saying that the U.S. fears that the deal will endanger the stability of PA President Mahmoud Abbas. Yediot cited the U.S. Jewish leadersQ promise to QdemonstrateQ against the U.S. administration.

Yediot reported that British Conservative politicians have promised, if elected, to allow Kadima chair and former FM Tzipi Livni to enter the U.K without worrying about being arrested.

The Jersalem Post reported that the 27 EU foreign minister, set to hold their monthly meeting in Brussels n Monday, are expected to discuss the Goldstone ommission report and issue a statement that will be the basis of a debate on the issue to begin in the European Parliament two days later.

Leading media reported that yesterday a Lebanese court sentenced to death a man convicted of collaborating ith Israel. Israel Radio quoted Arab League Secetary-General Amr Moussa as saying that the Arabstates will come to LebanonQs rescue, should it be attacked by Israel.

Israel Radio reported that Israel and Egypt are considering a joint solar energy project in Sinai.

Former Consul-General in New York Alon Pinkas, whose candidacy for the U.N. ambassadorship was allegedly thwarted by Sara Netanyahu, the PMQs wife, was quoted as saying in an interview with Yediot that no matter what Sara did, Benjamin Netanyahu, who had initially offered Pinkas the Washington posting, asking for PinkasQ help in bringing in useful contacts in the U.S., owes him an answer regarding the U.N post. Yediot cited a response by the Prime MinisterQs Office that Pinkas did not receive any promise to become IsraelQs ambassador to the U.N.

Major media reported that the first Eitan Unmanned Aerial Vehicle (UAV), also known as Heron TP, will enter service with the IAF on Sunday. The 4.5-ton plane, made by Israel Aerospace Industries, can maintain automatic high-altitude flight for 60 hours and is fitted with satellite communications, specialized sensors and other equipment for reconnaissance and intelligence-gathering hundreds of kilometers beyond Israel's borders. The Eitan is expected to enhance the IAF's ability to operate for a long time at a great distance, even over Iran. It can fly at an altitude of 45,000 feet and gather much more accurate information than the IDF can obtain today. Media cited classified information that the aircraft is also geared for air combat.

HaQaretz reported that Israel has reached an agreement with the U.S. over intellectual property rights, after a decade of disagreement. Industry, Trade, and Labor Minister Benjamin Ben-Eliezer was quoted as saying yesterday that the two countries have reached an understanding which will remove Israel from the blacklist of nations that violate intellectual property rights. The agreement states that Israeli laws on pharmaceuticals will be changed -- to the disadvantage of generic drug makers, such as Teva Pharmaceuticals. In practice, the changes will lengthen the patent protection for drugs by a year or two. Once the legislative changes are made, the U.S. has committed itself to actively support Israel's acceptance into the Organization for Economic Co-operation and Development, as the issue was one of the major disputes holding up Israel's entry into the OECD.

The Jerusalem Post reported that Israel will set up a \$1.5 million school for 1,000children in Haiti.

All media reported somewhat sarcastically that DM Ehud Barak has bought a luxury apartment in central Tel Aviv without having to sell his current, more expensive one. The dwelling, which costs 10 million shekels (around \$2.5 million), will be ready in four years.

Major media reported that on Sunday the state will approve a plan for the preservation of 150 sites of Jewish and Israeli interest, including Masada, Ben GurionQs Tel Aviv house and his Negev

residence and tomb, RachelQs Tomb at the entrance to Bethlehem, and the historical Khan along the Tel Aviv-Jerusalem highway. The cost of the project will be 600 million shekels (around \$150 million) -- 400 million shekels from government funds and 200 million to be raised from external sources. The Jerusalem Post said that RachelQs Tomb and the Cave of the Patriarchs in Hebron -- which the PA wants to include in its future stateQs territory -- might not make it onto the heritage list.

Major media reported that yesterdayQs visit by the Dalai Lama to the White House is exacerbating Sino-American tension. HaQaretz dubbed him a Qwelcome visitorQ in Washington.

Yediot reported on an art exhibition -- the Offirst Mediterranean biennale in HaifaQ -- held in a shipping container -- that includes works by Israeli, Palestinian, Moroccan, Turkish, Dutch, German, and Romanian artists.

Maariv cited the concern of Israeli clothing retail chains that American chains that are opening stores here might seriously challenge their businesses.

11. U.S.-Israel Relations:

Block Quotes:

QThe Ministry for Isolating Israel

The independent, left-leaning Ha'aretz editorialized (2/19): QThe stupidity that has overtaken the Foreign Ministry under the leadership of Avigdor Lieberman and Danny Ayalon sank to a new low this week. When a delegation of American congressmen, who came to Israel at the initiative of the leftist Jewish lobby J Street, asked to meet with senior Foreign Ministry officials in Jerusalem they encountered obstacles and delays. Then, at the last minute, the Foreign Ministry agreed to arrange the meetings -- but said the congressmen had to come alone, without their J Street escorts. guests refused and convened a press conference at which they called the behavior of Israel's government a disgrace. It is hard to imagine a more harmful and unnecessary blow to Israel's foreign relations than boycotting U.S. congressmen and their escorts from a Jewish organization. No bureaucratic justification -- such as Qthe professionals advised against meeting with the group,Q which the Foreign Ministry is now claiming -- can excuse this. The support of Congress and the U.S. Jewish community are Israel's greatest strategic assets.... The congressmen and their escorts deserve an apology from the government. Even more urgently needed is a reassessment of Israel's foreign relations in the Lieberman era. Instead of bolstering Israel's international standing, it seems the Foreign Minister and his deputy seek to deepen its isolation. Under their leadership, the Foreign Ministry has turned into a thought police and a ministry for silencing criticism. Following angry outbursts against the Scandinavians and the Turks, Israel is now humiliating U.S. congressmen, whose support is essential. any more harm is done, Netanyahu must rescind his problematic appointments at the top of the Foreign Ministry and find replacements for both Lieberman and Ayalon.

12. Mideast:

Block Quotes:

DIOCK Quotes.

¶I. QRerun

Diplomatic correspondent and television anchor Ben Caspit wrote in the popular, pluralist Maariv (2/19): QWhat was good [in 1970] (when [current Mossad head Meir] Dagan was credited with personal operations that would QawardQ him three or four Goldstone reports today) is not presently valid. Putting the secret organization in his hands, when any tumbling could turn into a global disaster, is dangerous... Something went wrong in Dubai. According to one assessment, the elimination should have been quiet and unsigned. MabhouhQs death should have considered natural.

II. OA Hit with Few Consequences

Palestinian affairs correspondent Avi Issacharoff wrote on page one of the independent, left-leaning HaQaretz (2/19): Q[HamasQ] panic could provide an answer to Israelis' questions about whether the [Dubai] assassination was a success or failure: the efforts to keep Mabhouh's identity secret failed and a key player in its smuggling operation is gone.... Moreover, the killing has a deterrent effect -- Hamas' boasts of its military prowess will now be taken with a grain of salt by the people in Gaza. Therefore it's hard to call this operation a failure. The operational goal was achieved. The assassins came home safely (aside from two Palestinians who evidently helped them).... The real snafu was the use of forged European passports bearing the names of real Israeli dual citizens. But it's hard to imagine any other method by which foreign agents could enter and operate in hostile territory.

III. QNo More than Ricochets

The nationalist, Orthodox Makor Rishon-Hatzofe editorialized (2/19): QIf those who in the past handled [sic] [Khaled] Mashal and [Imad] Mughniyah are the same as those who took care of al-Mabhouh, the [Dubai liquidation] was no failure.... Offensive fighting must continue. The achievement is big enough for Israel to take in media and diplomatic ricochets. The damage caused by criminals such as the late al-Mabhouh ... justify temporary inconvenience to a few citizens who woke up one day to headlines that mentioned their names.

IV. QTearing the Palestinian LeaderQs Mask

Veteran journalist and television anchor Dan Margalit wrote in the independent Israel Hayom (2/19): QOlmert quietly promised the Palestinians that 25,000 of their people would be able to enter Israel within its Green Line border, But Abu Mazen has not responded to this offer until this day. This is surprising and even amazing, since he is interested in a two-state solution. He should have adopted OlmertQs proposal with fervor and embarrassed his successor Netanyahu. But the Ramallah leader is so afraid of peace that he wouldnQt even touch the proposal. It is the mask on Abu MazenQs face that Peace Now should tear off tomorrow during a demonstration at Tel AvivQs Cinematheque Square [a well-known venue for left-wing protests]. The rallyQs organizers will certainly not do that.

¶V. QThe Fatah Fairy Tale

Deputy Managing Editor and right-wing columnist Caroline B. Glick wrote in the conservative, independent Jerusalem Post (2/19): QThere is no doubt that an Israeli denunciation of [Mahmoud] Abbas and his mafia would enrage the U.S. and EU. Apparently, Netanyahu, who, to please President Barack Obama, accepted the two-state paradigm in spite of the fact that he opposes it, and suspended Jewish construction in Judea and Samaria [i.e. the West Bank] despite the fact that knows doing this is wrong -- is loath to pick a fight by pointing out the obvious fact that the PA is a corrupt band of oppressive thieves. [Fatah whistleblower Fahmi] Shabaneh arques that due to PA corruption, Hamas remains the preferred alternative for Palestinians in Judea and Samaria. In his view, the only reason Hamas has yet to take over Judea and Samaria is the IDF presence in the areas. The strategic implications of his statement are clear. Far from being a bulwark against Hamas, Abbas empowers the Iranian-backed jihadist force. The only bulwark against Hamas is Israel.... As for angering the White House, the fact of the matter is that by pointing out that Abbas is not a credible leader, Israel will make it more difficult for Obama and his advisers to coerce Israel into making further concessions that will only further empower Hamas.

¶I. QLet Them Talk with Someone Else

Columnist Shmuel Rosner, who was HaQaretzQs correspondent in Washington, wrote in the popular, pluralist Maariv (2/19): QThe incessant race of American envoys coming to Israel to reassure it is actually very discomforting and somewhat pressuring... Something a bit strange happened this week to the Obama administration, just after the relative failure of the Q2/11Q events -- i.e. after it turned out that the Iranian opposition is far from success (when the AyatollahsQ regime managed to suppress and put an end to rioting pockets, as Qregime changeQ wouldnQt apparently be here tomorrow morning. The Obama administration suddenly started talking about Qregime changeQ with increasing enthusiasm.

II. QAvoiding the Last Resort

Military correspondent Amos Harel and Palestinian affairs correspondent Avi Issacharoff wrote in the independent, left-leaning ${\tt HaQaretz}$ (2/19): QWhile Iran is deliberately heating up the atmosphere, the United States is seeking to cool it down a little. Strangely enough, at this stage both sides have interpreted Israel's role in a similar manner; both apparently believe it could lose its patience.... In [Mohamed ElBaradeiQs] absence, it looks as though the IAEA will also align itself with future U.S. analyses and harden its tone toward Iran. Israel will choose to attack only as a last resort. If Iran continues to enrich uranium and Washington does not succeed in imposing genuine sanctions, or if such sanctions do not move Iran, this question becomes more relevant. In such a case, Israel would have more legitimacy for acting in self-defense, and could not be blamed when diplomatic efforts fail. For the time being, the Netanyahu government will try to QtranslateQ the fear of its future actions into hard currency. The United States has already deployed a radar system in Israel, which has improved the country's deterrent capability against missile strikes. Israel recently received a commitment regarding U.S. Army emergency storehouses here. If we accept the version of the Prime Minister's Office, there may also have been success on the Russian front, in the form of another delay in the deal to sell SA-300 anti-aircraft missiles to Tehran.

III. QMullen and Biden Are Coming to Sniff Around

Editor-in-Chief Amnon Lord wrote in the nationalist, Orthodox Makor Rishon-Hatzofe (2/19): QIranQs clients fear that Israel is deliberately conducting an assassination campaign in order to produce deterioration. Deterioration means escalation at some time, followed by a flare-up. This seems to be the reason for their frequent talk of war. The Americans can see this. They may wonder why Israel would want a war. If such big guns as Mullen and Biden come to Israel, they must be afraid that Israel might want to take advantage of a flare-up in its vicinity in order to deal a military blow on IranQs nuclear installations. Israel appears to signal that it encourages an international a clash over Iran. But Israel has no reason to trust such steps -- certainly not under the direction of President Barack Obama. To this day he hasnQt demonstrated leadership to match the magnitude of the challenge. He has neither enlisted international forces needed to wrap up the sanctions issue nor creates a credible military threat. Deadlines follow one another and nothing tangible is happening.

IV. QIt Is Now Clear : ElBaradei Tried to Put the World to Sleep

Veteran journalist and television anchor Dan Margalit wrote in the independent Israel Hayom (2/19): QThe International Atomic Energy Agency has stopped lying to itself and to the world. Its new head, Yukiya Amano, has drafted a detailed report that unequivocally determined that Iran is acting to develop nuclear weapons.... It is hard to know on whose behalf Dr. ElBaradei churned out the delaying tactics that could have turned into a long-lasting catastrophe.... What remains to be seen now is whether the world was terribly naove.... In the wake of yesterdayQs report, it is not enough for foreign ministries to express their concern. Economy ministries around the world, followed by defense ministries, must be enlisted to contain the Iranian move.... It is too late anyway.